

# **FISCAL NOTE**

## **HB 2440**

January 2, 2008

**SUMMARY OF BILL:** Directs the Department of Education to create an Education Pays pilot program by August 1, 2008. This program provides monetary awards of \$100 per student and \$50 per household to encourage academic achievement. Students will be selected from among the three schools having the largest number of students eligible for free and reduced price lunches.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Expenditures - \$ 97,500**

##### Assumptions:

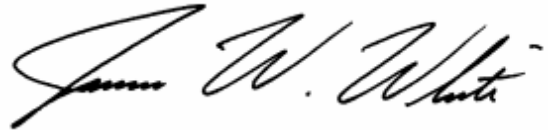
- According to the Department of Education, the three largest school systems with the highest number of students eligible for free and reduced lunch are 1) Memphis City, 2) Metropolitan Davidson County, and 3) Knox County.
- According to the Department of Education, 325 students and their households would be eligible to receive money. Each student would receive \$100 per semester and their respective household would receive \$50 per semester.
- According to the Department of Education, Memphis City would have 200 students in grades 9-12 eligible for the program. The total cost for payments in Memphis City is \$60,000. ((200 students x \$100 x 2 semesters = \$40,000) + (200 households x \$50 x 2 semesters = \$20,000) = \$60,000))
- According to the Department of Education, Metropolitan Davidson County would have 75 students in grades 5-8 eligible for the program. The total cost for payments in Metropolitan Davidson County is \$22,500. ((75 students x \$100 x 2 semesters = \$15,000) + (75 households x \$50 x 2 semesters = \$7,500) = \$22,500))
- According to the Department of Education, Knox County would have 50 students in grades 1-4 eligible for the program. The total cost for payments in Knox County is \$15,000. ((50 students x \$100 x 2

semesters = \$10,000) + (50 households x \$50 x 2 semesters= \$5,000) = \$15,000))

- The \$50 payment to parents or guardians would be done on a per household basis rather than a per parent basis.
- According to the Secretary of State, all community enhancement grant funds will be expended by June 30, 2008. If any such funds remain as of June 30, they will revert to the state treasury as of that date in the absence of this bill. The cost of this bill is not affected by the source of funding.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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